
Equity Weekly



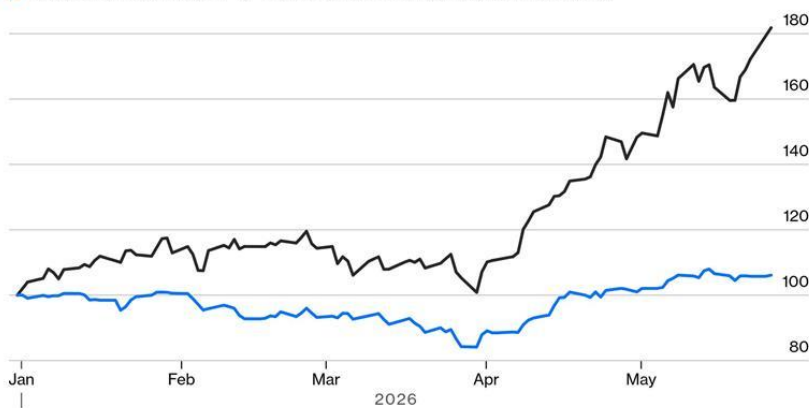
Syz Equity Research – week from 22 to 29 May 2026

The Chart of the Week

Magnificent SOX

Chipmakers have enjoyed a magnificent quarter

■ Bloomberg Magnificent 7 ■ Philadelphia SE Semiconductors Index (SOX)



Note: Data is indexed to 100 on Dec. 31, 2025
Source: Bloomberg

Bloomberg Opinion

What happened last week?

Global markets

From Friday 22 May to Friday 29 May 2026, global equity markets delivered a broad-based advance, with the MSCI AC World rising 2.2% in USD total return terms. Markets navigated a volatile week defined by elevated inflation data, ongoing US-Iran tensions, and powerful earnings catalysts, ultimately concluding at or near record highs. Risk appetite recovered from mid-week turbulence on Friday, as reports of a tentative 60-day ceasefire extension and prospective nuclear negotiations between the US and Iran lifted sentiment and pushed oil prices materially lower.

Technology was once again the primary engine of returns globally, gaining close to 6% on the week, though leadership was notably broader than in prior periods. Beyond the headline AI infrastructure surge, software re-emerged as a meaningful outperformer for the first time in several quarters, suggesting the investment cycle may be broadening beyond hardware and chip vendors into the application and platform layer. The MSCI AC World Growth index advanced 2.9% against 1.5% for Value. Energy was the worst-performing sector, falling over 5% as markets priced in a Hormuz resolution, with defensives also lagging. Emerging markets were the standout regional performer, with the MSCI Emerging Markets index gaining 4.6%, driven primarily by South Korean equities. MSCI AC World ex-USA gained 2.7%, outpacing the US and reflecting broadening geographic participation in the rally.

US

The S&P 500 extended its winning streak to a ninth consecutive weekly gain, its longest since 2019, rising 1.8% to close at a record 7,580. The Nasdaq 100 gained 3.3%, while the Russell 2000 advanced 2.7% and the equal-weighted S&P 500 added 2.0%, consistent with broadening participation beyond mega-cap technology. Trading was compressed into a four-day week owing to the Memorial Day holiday, yet the price action was decisive.

Dell's blowout beat-and-raise on AI server infrastructure demand sent its shares up close to 33% on Friday, spurring sympathetic gains across the semiconductor supply chain. The more instructive development, however, was software's outperformance. Having trailed for several quarters and held technical support at the February and April lows, the complex broke out convincingly. Snowflake surged over 35% in a single session — its best day on record — after reporting product revenue growth of 34% year-on-year and describing the quarter as a clear inflection point for AI-driven demand. MongoDB and Okta added to the theme, both beating estimates and raising guidance on accelerating AI workload adoption. Not all names participated equally: Salesforce delivered a record beat yet closed little changed, as investors remain unconvinced its seat-based model is insulated from AI disruption. That divergence between perceived AI beneficiaries and potential AI victims is likely to remain a defining fault line within the sector.

Thursday's April PCE confirmed headline inflation at 3.8% year-on-year, the highest since May 2023, driven by Hormuz-related energy pass-through. Core PCE of 3.3% was in line with consensus, though the softer sequential monthly print of 0.2% offered a marginal reprieve. Consumer spending continues to run well ahead of income growth, with the savings rate near post-GFC lows, a dynamic that sustains near-term activity but raises the risk of a sharper pullback should energy prices re-accelerate. A downward revision to Q1 GDP growth to an annualised 1.6% added a note of caution, though equity markets looked through these headwinds, supported by Q1 2026 EPS momentum that was among the strongest in recent years.

Europe

European equities posted modest gains, with the STOXX Europe 600 advancing 1.6%, reflecting cautious optimism around the ceasefire narrative against an uninspiring domestic backdrop. Spain's IBEX 35 led with a gain of 2.8%, while the German MDAX surged 4.5%, significantly outperforming the large-cap DAX at 1.5% and pointing to mid-cap catch-up trade. The CAC 40 and FTSE MIB each rose 1.7%, while MSCI Switzerland gained 1.8%. UK equities lagged sharply, with the MSCI United Kingdom advancing just 0.1%, weighed by the FTSE 100's energy exposure and the LSE's Monday bank holiday closure.

Company newsflow provided incremental support: Ocado surged on a partnership with Asda, and AstraZeneca gained after receiving US approval for a new bladder cancer treatment. Defence names including Saab, Rheinmetall, and Exail Technologies advanced mid-week before retreating as ceasefire reports emerged. Preliminary May CPI prints from France, Spain, and Italy confirmed eurozone inflation remains well above the ECB's 2% target, limiting room for further easing and capping rate-sensitive sectors.

Rest of the world

MSCI Korea surged 9.9% on the week, driving the MSCI Emerging Markets index to a 4.6% gain. The rally extended a year-to-date advance defined by the AI-driven memory semiconductor upcycle, with Samsung Electronics and SK Hynix attracting strong inflows as hyperscaler capex guidance reinforced the high-bandwidth memory demand outlook. The KOSPI crossing 8,000

reflected both the semiconductor earnings upgrade cycle and progress under the government's value-up corporate governance reforms.

Japanese equities also delivered strong gains, with the Nikkei 225 and TOPIX closing at fresh record highs on Friday, supported by falling crude oil prices and renewed AI capital expenditure confidence. Intra-week volatility from US strikes in southern Iran was reversed by Thursday's ceasefire reports. Chinese equities were the notable exception, with MSCI China declining 0.7% as stronger industrial profit data failed to offset renewed regulatory concerns and an uneven domestic recovery. The EMQQ ETF fell 1.5%, reflecting continued drag from Chinese internet names.

Our view on equities

Equity asset class

We maintain equity exposure at the upper end of our neutral allocation range.

Earnings

After a strong Q1 earnings season and upward guidance revisions, 2026 earnings expectations have been revised higher across all major regions and are now running at double-digit growth rates. Operating margins have reached all-time highs and continue to accelerate.

Valuation

Although equity prices have reached new record highs, forward P/E multiples have edged lower because EPS growth has outpaced share price gains. Valuations remain above historical averages in the S&P 500 and Nikkei, while the STOXX Europe 600 and Asia ex-Japan look relatively more attractive.

Risks

The main risk to this constructive view is a renewed rise in rates and inflation expectations, which could compress multiples and pressure valuations.

Disclaimer

This marketing document has been issued by Bank Syz Ltd. It is not intended for distribution to, publication, provision or use by individuals or legal entities that are citizens of or reside in a state, country or jurisdiction in which applicable laws and regulations prohibit its distribution, publication, provision or use. It is not directed to any person or entity to whom it would be illegal to send such marketing material. This document is intended for informational purposes only and should not be construed as an offer, solicitation or recommendation for the subscription, purchase, sale or safekeeping of any security or financial instrument or for the engagement in any other transaction, as the provision of any investment advice or service, or as a contractual document. Nothing in this document constitutes an investment, legal, tax or accounting advice or a representation that any investment or strategy is suitable or appropriate for an investor's particular and individual circumstances, nor does it constitute a personalized investment advice for any investor. This document reflects the information, opinions and comments of Bank Syz Ltd. as of the date of its publication, which are subject to change without notice. The opinions and comments of the authors in this document reflect their current views and may not coincide with those of other Syz Group entities or third parties, which may have reached different conclusions. The market valuations, terms and calculations contained herein are estimates only. The information provided comes from sources deemed reliable, but Bank Syz Ltd. does not guarantee its completeness, accuracy, reliability and actuality. Past performance gives no indication of nor guarantees current or future results. Bank Syz Ltd. accepts no liability for any loss arising from the use of this document.

Welcome to Syzerland®
